

## ORGANIZATIONAL EXCELLENCE

### Clean Audit



Federal Aviation  
Administration

#### FY 2008 Performance Target

*"Obtain an unqualified opinion on the agency's financial statements (Clean Audit with no material weaknesses [NMW])."*

#### Flight Plan Objective and Performance Target

**Objective 2:** Improve financial management while delivering quality customer service.

**Performance Target:** Obtain an unqualified opinion on the agency's financial statements (Clean Audit with No Material Weaknesses) each fiscal year.

	FY 2004	FY 2005	FY 2006 <sup>1</sup>	FY 2007	FY 2008
<b>Target</b>	N/A	N/A	Clean Audit w/NMW	Clean Audit w/NMW	Clean Audit w/NMW
<b>Actual</b>	Clean Audit	Clean Audit	Clean Audit WITH a MW <sup>2</sup>	Clean Audit WITH a MW	

<sup>1</sup> Beginning in FY 2006, the new Flight Plan target specified not only a clean audit but also no material weaknesses (NMW) found.

<sup>2</sup> Result revised from Qualified Opinion. Following intensive corrective actions undertaken in FY 2007, including a comprehensive review of FAA's construction in progress balances and restatement of the FY 2006 financial statements, KPMG retracted its FY 2006 qualified opinion and reissued the opinion as unqualified (clean). However, the material weakness in this area remained.

#### Definition of Measure

**Unit of Measure:** Unqualified independent auditors' opinion rendered on FAA's annual financial statements, with no material weaknesses.

**Computation:** N/A

**Formula:** N/A

**Scope of Measure:** The scope of this measure includes FAA's annual audited financial statements, related footnotes, and required supplementary information – all of which are published by FAA in its annual Performance and Accountability Report.

#### Why the FAA Chooses this Measure

The FAA chooses this measure because it is an independent assessment of FAA's internal control environment over financial reporting, FAA's compliance with certain laws & regulations, and FAA's ability to fairly present the results of its financial position and activities during the year.

#### Source of the Data

The data used to evaluate FAA's measure against this target comes from the independent auditors' report, issued as a result of their audit of FAA's annual financial statements. The auditors' report is published annually in FAA's Performance and Accountability Report.

#### Statistical Issues

N/A

#### Completeness

N/A

#### Reliability

N/A